

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest (ISU)
Date: June 1, 2001

Recommended Action:

Approve the following update and addition to Iowa State University's (ISU) list of approved vendors with a potential conflict of interest:

- Caps and Gowns Services (new ownership)
- Ronald O. Risdal

Executive Summary:

Vendors at the Regent institutions with a potential conflict of interest are required by statute to be approved by the Board.

Iowa State University requests that Caps and Gowns Services be approved as a vendor with a potential conflict of interest under the new ownership of Judi Eyles. The company is currently a vendor approved by the Board under the ownership of Mary Beukema Harms. Judi Eyles is employed in a professional and scientific position at the University and is in the process of purchasing the business from Mary Beukema Harms, also employed by ISU. Caps and Gowns Services rents graduation regalia for bachelor, master, and doctoral students and faculty, as well as supplies honor cords.

Iowa State University also requests that Ronald O. Risdal be added to its approved vendor list. Mr. Risdal owns a farm that has been used by the ISU Forestry Department since 1989 to study a riparian buffer (erosion control) system. ISU would like to pay Mr. Risdal for the use of his land comparable to landowners enrolled in the Conservation Reserve Program. Mr. Risdal is employed by the Facilities Planning and Management Department at the University.

The University reports that neither Ms. Eyles nor Mr. Risdal will participate in any evaluation or award decisions relative to services provided to ISU.

A summary of institutional expenditures with approved conflict of interest vendors is included in the annual purchasing report presented to the Board in November.

Background:

Iowa Code §68B.4 prohibits an official or employee of a regulatory agency from selling, either directly or indirectly, goods or services to the agency of which the individual is an official or employee, except when certain conditions are met. The Iowa Code requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception.

The Board's adopted rules are incorporated in Regent Procedural Guide §10.09. Board authorization is required when a single purchase from a conflict of interest vendor (Regent employee) exceeds \$1,000 or a fiscal year's cumulative purchases exceed \$2,000.

The Board's authorization of a vendor with a potential conflict of interest does not alleviate the requirement to obtain competitive bids and provide public notice as prescribed in Iowa Code §68B.3.

Board rules preclude individuals with potential conflicts from being directly involved in the purchasing decisions or authorizing of any such contracts as well as making material changes to such contracts.

Analysis:

Judi Eyles is employed in a professional and scientific position in the ISU Pappajohn Center for Entrepreneurship and the Small Business Development Center. She is in the process of purchasing Caps and Gowns Services from Mary Beukema Harms, also employed at Iowa State University as an adjunct instructor.

Caps and Gowns Services rents graduation regalia for bachelor, master, and doctoral students and faculty, as well as supplies honor cords. The company was originally approved by the Board as a vendor with a potential conflict of interest under the ownership of Ms. Harms on July 20, 1994.

The University reports that Ms. Eyles will not participate in any evaluation or award decisions.

Ronald O. Risdal owns a farm located near Roland, Iowa. The ISU Forestry Department inquired and received approval from Mr. Risdal in 1989 to establish and study a riparian buffer (erosion control) system. Mr. Risdal is employed by the Facilities Planning and Management Department at the University.

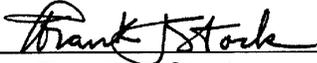
Mr. Risdal states that he has allowed ISU to remove samples, conduct workshops, use photographs of his land in national promotional materials, and bring numerous people on his land during this time. He also states that he has used his own equipment and allowed ISU to use his equipment to install and maintain the buffer. This project has served as a national model for similar buffers that are supported by the USDA Natural Resources Conservation Service and the Conservation Reserve Program.

The University would like to compensate Mr. Risdal for the use of his land at a level comparable to those enrolled in the Conservation Reserve Program. ISU reports that the University began working with Mr. Risdal before the Conservation Reserve Program provided support for these practices.

The University reports that Mr. Risdal will not participate in any evaluation or award decisions.



Andrea L. Anania

Approved: 

Frank J. Stork